

# THE UNITED STATES WAREHOUSE ACT



## STATEMENT of POLICY DOCUMENT

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### FEATURES OF GRAIN FORWARDING BY UNITED STATES WAREHOUSE ACT LICENSED WAREHOUSES

1. General conditions of forwarding grain by a United States Warehouse Act (USWA) licensed warehouse operator
  - a. Each warehouse operator licensed under the USWA may forward ***receipted grain***, with prior approval, or ***non-receipted grain*** to another licensed warehouse operator by physical movement or by other methods accepted as standard industry practices.
  - b. The shipping USWA warehouse operator must forward ***USWA receipted grain*** to a receiving warehouse operator that is either USWA licensed or State licensed for the public storage of grain. That State licensing authority must have financial, bonding, and examination requirements for the benefit of all depositors.
  - c. Both the shipping and receiving warehouse operators should hold some type of documentary evidence showing the transferred stocks are being held for the shipping warehouse operator's account. The shipping warehouse operator should state whether the grain forwarded is a receipted, open-storage, or company-owned storage obligation (**no sales contracts or farm direct delivery**).
  - d. When examined the shipping USWA warehouse operator's grain stocks on hand plus those forwarded grain stocks held for the shipping warehouse operator's account at the receiving warehouse location must equal the quantity and quality of the shipping USWA warehouse operator's total storage obligations.
  - e. The shipping USWA warehouse operator's approved and posted tariff must contain a notice that the shipping warehouse operator may forward grain stored on a commingled basis.
  - f. All forwarded grain must be redelivered in the same and like amount, kind, quality, and

grade to the owner/depositor where the grain was first deposited for storage, unless the owner/depositor makes other arrangements to take delivery or executes an in-store sale at the receiving warehouse to which the grain was forwarded.

- g. Periodically federal examiners will send each receiving warehouse operator a completed USWA confirmation form to verify the kind, quantity, quality, and grade of the shipping USWA warehouse operator's forwarded receipted and non-receipted grain stored in the receiving warehouse operator's warehouse.

## 2. Forwarding of USWA warehouse "receipted grain"

- a. Net worth and bonding requirements of the shipping USWA warehouse operator will be based on their warehouse's licensed capacity, including all forwarded USWA warehouse receipted grain.
- b. The shipping USWA warehouse operator must make written request to: USWA's Licensing Branch, Kansas City Commodity Office, P.O. Box 419205, Kansas City, MO 64141-6205, for prior approval and bonding before forwarding any USWA warehouse receipted grain to the receiving warehouse.
- c. The shipping USWA warehouse operator will promptly obtain a non-negotiable warehouse receipt from the receiving warehouse for any USWA warehouse receipted grain forwarded. These receipts should be clearly marked "NOT- NEGOTIABLE" across the receipt's face.

**Note:** When forwarding any USWA warehouse receipted grain to a State licensed warehouse in a state where the licensing authority does not recognize "non-negotiable warehouse receipts," the USWA will accept a "Certified Certificate of Grain Deposit" that provides sufficient information to determine ownership, kind, quantity, grade, storage start date, and other normal supplemental grain industry information. Before forwarding any grain the shipping USWA warehouse operator or receiving State warehouse operator should contact the USWA's Licensing Branch at the Kansas City Commodity Office for document approval.

- d. When a shipping USWA warehouse operator is obligated by the terms of an issued USWA warehouse receipt or otherwise to insure a depositor/owner's grain forwarded to another warehouse, they must keep the forwarded grain insured in their own name or forward the grain only to a receiving warehouse operator that fully insures the forwarded grain.

## 3. Forwarding of non-receipted grain (open storage or company-owned)

- a. A USWA warehouse operator may forward non-receipted grain for continued storage. However, the shipping warehouse operator's total storage obligations to others (not including USWA receipted grain storage obligations forwarded to a receiving warehouse operator) **must not exceed the shipping warehouse operator's USWA licensed capacity**.

- b.** A USWA warehouse operator cannot forward company-owned grain when that grain is obligated to another party (for example, sales contracts).